Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

# Message Text

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PAGE 01 STATE 306064
ORIGIN SP-02

INFO OCT-01 ISO-00 AF-10 ARA-10 EA-10 EUR-12 NEA-10
IO-13 USIA-06 AID-05 EB-08 NSC-05 TRSE-00 SS-15
STR-05 OMB-01 CEA-01 IGA-02 COME-00 MMO-01 SIG-01
/118 R

DRAFTED BY S/P:CFARRAR:EAG
APPROVED BY S/P:ALAKE
AID/PPC:MR. PAOLILLO (DRAFT)
TREAS/IDN:MS. ATLAS (DRAFT)
TREAS/IDB:MR. HOOPENGARDEN (DRAFT
EB:MR. WATSON (DRAFT)
----------003490 231515Z /50
P R 231433Z DEC 77
FM SECSTATE WASHDC
TO AMEMBASSY NEW DELHI PRIORITY PRIORITY
AMEMBASSY JAKARTA PRIORITY
AMEMBASSY DACCA PRIORITY
AMEMBASSY MANILA PRIORITY
AMEMBASSY SEOUL PRIORITY
AMEMBASSY BRASILIA PRIORITY
AMEMBASSY LA PAZ PRIORITY
AMEMBASSY GUATEMALA PRIORITY
AMEMBASSY DAR ES SALAAM PRIORITY
AMEMBASSY ADDIS ABABA PRIORITY
AMEMBASSY ISLAMABAD PRIORITY
AMEMBASSY YAOUNDE PRIORITY
INFO AMEMBASSY PARIS
USMISSION USUN NEW YORK
USMISSION GENEVA
AMEMBASSY MANILA

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FOR AMBASSADOR AND AID MISSION DIRECTOR - USOECD
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PAGE 02 STATE 306064

E.O. 11652:ADS, DEC. 31, 1978

TAGS:ECON, IN, ID, PK, RP, KS, BG, GR, BL, GT, TZ, ET, CM, EAID

SUBJECT:ASSESSMENT OF EFFECTIVENESS OF ECONOMIC ASSISTANCE

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

MANILA ACTION FOR EMBASSY AND AID MISSION; INFO FOR US ASIAN DEVELOPMENT BANK.

SUMMARY: AS STATED IN SEPTEL FROM DEPUTY SECRETARY WE ARE LOOKING AT EXPERIENCE IN SEVERAL COUNTRIES AS PART OF A CONTINUING EFFORT TO INCREASE UNDERSTANDING OF THE EFFECTIVENESS OF BILATERAL AND MULTILATERAL ASSISTANCE. YOUR RESPONSE TO ISSUES STATED BELOW WILL HELP FORM THE BASIS FOR FUTURE POLICY DECISIONS AS WELL AS PRESENTATION OF OUR FY 1979 PROPOSALS. WE WOULD APPRECIATE RESPONSES TO THE ISSUES STATED BELOW BY JANUARY 16 TO PERMIT TIME FOR PREPARATION OF CONGRESSIONAL TESTIMONY. END SUMMARY.

1. THE PURPOSE OF THIS REQUEST IS TO OBTAIN FOR A LIMITED NUMBER OF COUNTRIES SPECIFIC AND RELIABLE SOURCE MATERIAL RELATED TO THE KEY PROBLEM OF FOREIGN ASSISTANCE EFFECTIVENESS THAT CAN BE DRAWN ON OVER THE COMING MONTHS AS A STARTING POINT FOR THE ANALYSIS OF POLICY ISSUES FOR THE FUTURE AND AS A BASIS FOR TESTIMONY TO THE CONGRESS THIS WINTER.

2. THE ATMOSPHERE FOR CONSIDERATION OF FY 1979 ECONOMIC ASSISTANCE PROPOSALS BY THE CONGRESS REFLECTS NOT ONLY AMBIVALENCE ABOUT FOREIGN ASSISTANCE, BUT ALSO CRITICISM OF THE EFFECTIVENESS OF OUR PROGRAMS, INCLUDING THOSE MULTILATERAL ACTIVITIES WE SUPPORT. WE MUST, IN ADDITION, TAKE LIMITED OFFICIAL USE

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PAGE 03 STATE 306064

NOTE OF GROWING CONCERN ABOUT FOREIGN COMPETITION WITH US SUPPLIERS WHICH WILL HAVE AN IMPACT ON ATTITUDES TOWARD FOREIGN AID AS WELL AS OTHER LEGISLATION NEEDED TO IMPLEMENT OUR NORTH/SOUTH POLICIES.

3. IN ORDER TO BE MOST USEFUL, WE ASK THAT YOUR RESPONSE BE SPECIFIC AND DETAILED. IT SHOULD BE ORIENTED TOWARD THE BASIC LONGER-TERM PURPOSES OF FOREIGN ASSISTANCE, AND IN PARTICULAR TOWARD THE GOAL OF GROWTH WITH EQUITY. THE EVIDENCE PRESENTED SHOULD GO BACK IN TIME AS FAR AS REQUIRED IN ORDER TO GIVE REASONABLE HISTORICAL PERSPECTIVE, OR MAKE THE NECESSARY POINT. TOO SHORT A PERSPECTIVE OFTEN OBSCURES LONG-TERM TRENDS. BUT CONCLUSIONS SHOULD BE RELEVANT TO THE PRESENT CONCERNS OF OUR ECONOMIC ASSISTANCE POLICY, BOTH IN YOUR COUNTRY AND MORE GENERALLY.

4. PLEASE RESPOND TO THE FOLLOWING QUESTIONS:

A. AMONG THOSE PROJECTS SPONSORED BY THE US BILATERALLY, THE WORLD BANK AND THE REGIONAL DEVELOPMENT BANKS AND OTHER UN SYSTEM AGENCIES SUPPORTED BY THE UNITED STATES, PICK A FEW EFFECTIVE PROJECTS--SAY SIX--AND INEFFECTIVE PROJECTS--

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

SAY THREE--AND CONSIDER THEM IN RELATION TO:

I. REACHING THE POOR, INCLUDING CREATION OF
EMPLOYMENT;
II. SUCCESSFUL INSTITUTION-BUILDING;
III. MOBILIZING RESOURCES, BOTH DOMESTIC AND FOREIGN;
IV. MULTIPLIER EFFECTS, EITHER THROUGH REPLICATION OR
INFLUENCE OVER GOVERNMENT POLICIES;
V. RELEVANCE OF EFFECTIVE OR INEFFECTIVE DONOR
COORDINATION;
VI. THE SPECIFIC OBJECTIVES SET FORTH FOR THE PROJECT
AT ITS INCEPTION, AND ANY SIGNIFICANT UNINTENDED RESULTS.

IN RESPONDING PLEASE CHOOSE PROJECTS THAT GIVE A GOOD
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PAGE 04 STATE 306064

SPREAD AMONG SECTORS AND SPONSORING AGENCIES. ALSO
POINT OUT THE RELEVANCE OF THE POSITIVE OR NEGATIVE
EXPERIENCE GAINED FROM THE PROJECT FOR CURRENT PROGRAMS
OR THOSE BEING PLANNED. EXPLAIN THE REASONS FOR WHAT
OCCURRED TO THE EXTENT YOU CAN.

B. COMMENT ON ANY SPECIFIC EXAMPLES OF UNUSUAL

EFFECTIVENESS OR INEFFECTIVENESS OF ASSISTANCE THAT
GO BEYOND THE PROJECT EXPERIENCE MENTIONED IN A,
IN THE LIGHT OF US OBJECTIVES APPLICABLE TO YOUR
COUNTRY.

C. COMMENT ON THE UNIQUE CHARACTERISTICS AND
CONTRIBUTIONS, IF ANY, OF PROGRAMS OF THE DONOR
AGENCIES LISTED IN A. ILLUSTRATE WITH SPECIFIC
EXAMPLES. GIVE EXAMPLES OF ANY CASES WHEN AID
PROJECTS HAVE RESULTED IN NEW WORLD BANK PROGRAMS.

D. ASIDE FROM INFLUENCE THROUGH PROJECTS, ARE THERE
INSTANCES IN WHICHFONOR AGENCIES HAVE TRIED TO
INFLUENCE HOST COUNTRY DEVELOPMENT POLICIES, EITHER
IN GENERAL OR IN SPECIFIC SECTORS? HOW HAS THIS
BEEN DONE, AND WITH WHAT SUCCESS? COMMENT WITH
RESPECT TO SPECIFIC DONOR ORGANIZATIONS.

E. COMMENT ON COORDINATION AMONG DONORS. GIVE
SPECIFIC EXAMPLES OF ADEQUATE OR INADEQUATE COOR-
DINATION, AND SUGGEST HOW IT CAN BE IMPROVED.

5. WE WILL NEED YOUR ANSWERS BY JANUARY 16 SO
THAT THE INFORMATION CAN BE ANALYZED IN WASHINGTON
IN TIME FOR THE PREPARATION OF TESTIMONY.
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Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009



6. YOU MAY REFER TO DOCUMENTS AVAILABLE IN WASHINGTON AS SOURCES OF ADDITIONAL INFORMATION, BUT PLEASE MAKE THE REPLIES SELF-CONTAINED. WHERE SOURCE DOCUMENT IS USED, PLEASE SUMMARIZE THE INFORMATION AND PROVIDE YOUR JUDGMENT ON ITS VALIDITY AND RELEVANCE. INCLUDE ENOUGH DETAIL SO THAT THE MATERIAL WILL BE CONVINCING WITHOUT FURTHER RESEARCH. CERP 0008 ON TECHNICAL ASSISTANCE BY UN AGENCIES IS ONE EXAMPLE OF REPORTING RELATED TO THIS REQUEST.

7. WHILE THE MAIN FOCUS THROUGHOUT THIS EXERCISE IS ON THE US PROGRAM AND THE MULTILATERAL AGENCIES TO WHICH THE US CONTRIBUTES, THE ROLE OF OTHER DONORS SHOULD BE INCLUDED WHERE IT IS IMPORTANT TO YOUR RESPONSE.

8. WE WILL BE ASKING SOME PERSONNEL OF THE MULTI-LATERAL AGENCIES TO COMMENT INFORMALLY AND INDE-PENDENTLY ON THE SAME ISSUES.

9. MAKE YOUR RESPONSE UNCLASSIFIED TO THE GREATEST POSSIBLE EXTENT. IF ANY PART IS CLASSIFIED, PLEASE

SEGREGATE FROM THE BODY OF THE ANSWER.

10. WE APPRECIATE THE AMOUNT OF WORK THAT IS INVOLVED IN RESPONDING TO QUESTIONS OF THIS NATURE IN SUCH A SHORT TIME, BUT BELIEVE THAT THE RESULTS WILL BE OF SUFFICIENT VALUE TO OUTWEIGH THE INCONVENIENCE.

11. ADDITIONAL INSTRUCTIONS FOR NEW DELHI AND SEOUL FOLLOW SEPTEL. VANCE



NNN

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

# Message Attributes

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**TAGS:** ECON, EAID, IN, ID, PK, RP, KS, BG, GR, BL, GT, TZ, ET, CM
**To:** NEW DELHI JAKARTA MULTIPLE
**Type:** TE
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